

Monthly Credit View

Friday, 03 March 2017

Monthly Themes

- If January started 2017 off with a bang, then February felt as if the smoke was beginning to clear. Markets had increasingly doubted whether the expansionary fiscal stimulus promised by US President Donald Trump can be implemented effectively and with the Trump trade weakening, investors lowered their expectations of the Federal Reserve delivering the signalled three rate hikes in 2017. This brought a reversal of funds flow trends from January with record inflows into Emerging Market and High Yield bond funds in February that overshadowed weaker funds flows into Developed Market bond funds. This supported exuberant demand for Asia ex-Japan issuers who priced a record USD19.6bn in US dollar bonds during February, three times the average February amount of bonds issued over 2011-2016. In particular, subscriptions for bonds issued till February 23rd averaged around 4.2x the issue amount, the highest in six months according to Bloomberg, with final pricing settling well inside initial guidance. Notable examples included Chinese property developer and toll road operator Road King Infrastructure Ltd (BB-/B1/NR) whose 7.95% USD300mn perpetual NC5 was 18x oversubscribed (IPT of 8.625%) and Future Development Holdings Limited's (BB-/Ba3/BB-) USD350mn 5% 2020 bonds which were 11x oversubscribed (IPT of 5.625%). While Chinese issuers and capital instruments from financial institutions largely dominated supply, investor demand for yield expanded towards South and South East Asian issuers with Indonesian coal mining services contractor PT Bukit Makmur Mandiri Utama's (NR/Ba3/BB-) USD350mn 7.75% 2022 bonds 5.3x oversubscribed (IPT of 8.375%).
- Where there's smoke, there's usually fire with 'hot' funds inflows not only supporting buoyant primary market activity but leading to a strong technical driven rally in secondary markets. This drove the yield premiums on Asia dollar high yield bonds over investment grade bonds to almost nine-year lows of 280bps. Similarly, the yield on JACI HY corporates tightened 28bps to 6.60% through the month of February while the spread on JACI IG stayed level at 195bps. With improvement in underlying corporate credit quality not keeping pace with the yield compression and developed economy event risks still posing a threat to the global economic recovery, we think the divergence between technicals and issuer fundamentals has become more pronounced in the month with valuations for high yield bonds now stretched and high yield returns vulnerable to a correction.
- The SGD market seemingly caught the wave in the Asia dollar space with primary issuance finally springing back to life, particularly in the second half of the month. A total of SGD3.0bn was printed in February across 8 deals compared to just 4 deals totalling SGD920mn in January with SGD2.0bn of issuance coming after February 15th. This was a strong result considering average February issuance over 2011-2016 of SGD1.4bn. While order books for new SGD deals were similarly strong, market activity continues to be selective with supply coming from the usual suspects, namely financials, governments and property related companies. Housing & Development Board's SGD900mn 5 year bond and United Overseas Bank Ltd's SGD750mn 3.5% Tier 2 12NC7 bond highlighted activity for the month.

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- Despite the somewhat deluge in supply, SGD secondary activity also rode the risk-on sentiment as the dearth of supply since 2H2016 and high levels of market liquidity drove yield compression throughout our bond coverage in the month of February. For this reason, the number of bond ratings lowered outnumbered those ratings raised by a ratio of 1.3:1 as valuations are starting to look a little stretched.
- All told, the aggressive search for yield made February a buoyant month for bond markets as ample supply from issuers looking to take advantage of yields at multi-year lows before impending rate hikes was sufficiently digested by strong investor demand, particularly from Chinese onshore investors. Looking ahead, while remnants of these sentiments may remain, we have already seen recent market jitters and rising expectations of a near term rate hike (the implied probability of a rate hike in March has now risen to 80%) following increasingly hawkish statements from the Fed. This is likely to lead to some near-term correction in secondary prices, particularly for high yield bonds given the spread compression against investment grade names. This could present an opportunity for investors to take profits as markets start to take a breather, thereby blowing out some of the fire that rose in February.
- With regards to our sector coverage, the offshore marine sector offered mixed signals, with some issuers taking further impairments during 4Q2016 results, while others pointedly did not or did limited amounts. Despite stabilization in energy markets, the oversupply of rigs and vessels would likely continue to pressure performance of both asset owners and yards alike. For property developers in general, domestic residential inventory continues to be consumed, with near-term performance to be driven by their overseas developments. Investment property holdings have largely seen revaluation gains despite the challenging environment, though such gains have been markedly lower compared to prior years.
- We see small positives on issuer credit profiles from the Singapore Budget 2017 and Committee on Future Economy ("CFE"). Construction companies may benefit from SGD700mn in public sector projects that will be brought forward, partly alleviating thinning margins amidst the competitive landscape. Although property cooling measures were not lifted, an increase in CPF housing grant may fuel transactions in resale HDB, which may in turn potentially spillover into the private residential market. The Budget also deferred the increase in foreign worker levy for the Marine and Process sectors, helping the struggling offshore & marine sector in a small way. The CFE recommendations appeared to be not too different from earlier government plans. However, if the target for manufacturing to contribute 20% to GDP can be achieved (2016: 17.9%), this may provide some relief to industrial landlords who still face high vacancy rates (4Q2016: 10.5%).

Issuer Profile Changes / Updates

- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: Hotel Properties Ltd, Ascendas Real Estate Investment Trust, BNP Paribas, Frasers Centrepoint Trust.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: GuocoLand Limited
- **Oxley Holdings Ltd ("OHL"):** We initiated coverage on OHL on 21 Feb 2017 with a Neutral Issuer Profile. Despite a highly geared balance sheet (Net gearing: 1.77x), we see a clear deleveraging trend with good results thus far and cashflows ahead from SGD1.05bn in unbilled contracts that will be delivered within the next 4 quarters.

Issuer Profile Changes / Updates (cont.)

- **Yanlord Land Group Ltd (“YLLG”)**: We have revised YLLG’s issuer profile to Neutral. Earlier YLLG’s issuer profile was placed on Negative on the back of expectations that gearing will tilt higher (albeit from a low base) and there were still uncertainties with regards to redemption of its SGD bond, the YLLG 6.2% ‘17s. Following YLLG’s issuance of a USD450mn bond in January 2017 and the occurrence of higher gearing levels (Net gearing: 0.2x from 0.02x as at 31 December 2015), we have thus revise our issuer profile.
- **Olam International Ltd (“OLAM”)**: OLAM is intending to buyback outstanding SGD perpetuals (the OLAMSP 7.0% ‘49c17) between 1 March 2017 and 7 March@100 together with distributions accrued to (but excluding) the Settlement Date of 10 March 2017. Outstanding amount on this perpetual stand at SGD235.8mn. OLAM has announced its intention to exercise its option to redeem all of the outstanding perpetuals on 1 September 2017@100, including accrued distributions. For existing perpetual holders with no short term liquidity needs, we are recommending a Hold to September given the 7% p.a distribution rate is higher than OLAM’s market implied cost of funding.

Trade Ideas

- In general, the CAPITA curve and MCTSP curve have lagged the broad rally seen over the past month. As such, we have upgraded some of the bond recommendations on valuation. In particular, the MCTSP’19s look attractive, offering ~60bps above swaps for less than 2-year paper. We continue to like MCT’s strong and diversified portfolio, which covers office, retail and business park assets.
- We initiate coverage on UOB’s SGD750mn Tier 2 12NC7 bond (UOBSP 3.5%’29s) at neutral. That said, at a spread of 108bps above swaps, we see the deal is relatively tight compared to its existing curve and similarly rated issues in the Tier 2 space from Australian Banks. In light of this, we think the Aussie T2 papers offer better relative value despite the recent run up in the cash price. We still see the ANZ’27c22 offering slightly better value in the Aussie T2 space given potential fundamental upside from restructurings and given relative tenors and spreads against the NAB’28c23 and WSTP’27c22.
- Chip Eng Seng Corp Ltd (“CES”) is off to a good start in the Chinese New Year with 10,000 people showing up at the launch of Grandeur Park Residences. CES may also be a beneficiary from the increase in public sector projects with its roots in construction. While bonds of other issuers are bided up, we see relative value emerging in CHIPEN ‘21s.
- Despite gaining some traction in recent weeks, the new GUOLSP ‘22s trades at 169bps above swaps, which is 20-40bps wider than the rest of the curve. For investors comfortable with GuocoLand Ltd’s increasing leverage profile, we think the bond provides a decent carry.
- Wing Tai Holdings Ltd sports the lowest net gearing (0.03x) amongst the Singapore property developers. Investors looking for longer-dated bonds may consider WINGTA ‘22s, ‘23s and ‘24s which offer relative value trading 133bps-148bps above swaps.
(OCBC, Company, Bloomberg)

Upcoming Bond Maturities – March 2017

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
CAGAMAS GLOBAL PLC	CAGA	87	03/03/2017
EXPORT-IMPORT BANK KOREA	EIBKOR	50	09/03/2017
CAGAMAS GLOBAL SUKUK BHD	CAGA	150	10/03/2017
CWT LTD	CWTSP	100	13/03/2017
CMT MTN PTE LTD	CAPITA	100	15/03/2017
HNA GROUP INTL CO LTD	SANYPH	128	31/03/2017
ROWSLEY LTD	ROWSSP	100	06/03/2017*
ASCENDAS INDIA TRUST	AITSP	65	06/03/2017*
HYFLUX LTD	HYFSP	100	07/03/2017*
HYFLUX LTD	HYFSP	65	23/03/2017*

Current / Recent Reports From OCBC Credit Research

[Research Archive: <http://www.ocbc.com/group/research/index.html>]

- Industrial REIT Sector Update (24 February 2017)
- Oxley Holdings Ltd: New Credit Review (21 February 2017)
- Soilbuild REIT Credit Update (14 February 2017)
- Global Logistics Properties: Credit Review (24 January 2017)
- Singapore 2017 Credit Outlook (6 January 2017)
- ASL Marine Holdings Ltd Credit Update (3 January 2016)
- Ezra Holdings Limited Credit Update (1 December 2016)
- Croesus Retail Trust: New Credit Review (14 November 2016)
- Lippo Malls Indonesia Retail Trust: New Credit Review (11 November 2016)
- Frasers Hospitality Trust: Credit Update (11 November 2016)
- Breadtalk Group Ltd: New Credit Review (7 November 2016)
- Industrial REIT Sector Update (4 November 2016)

Issuer	Issuer Profile	Issue				Bond Ratings	Recommendation	
			Maturity	Ask Price	Ask YTW		Current	Previous

China/HK property

Central China Real Estate	N	CENCHI 6.5 '17	26/05/2017	101.05	1.72	B+/Ba3/NR	N	N
CK Hutchison Holdings Ltd	N	CKHH 3.408 '18	20/07/2018	102.15	1.82	A-/A3/A- (Guarantor)	N	N
China Vanke Co Ltd	N	VNKRLE 3.275 '17	06/11/2017	100.70	2.22	BBB+/Baa1/BBB+ (Issuer)	N	N
Henderson Land Development	N	HENLND 4 '18	19/09/2018	103.15	1.92	NR/NR/NR	N	N
Hongkong Land Holdings	Pos	HKLSP 3.86 '17	29/12/2017	102.50	0.78	A/A2/NR	UW	UW
Hongkong Land Holdings	Pos	HKLSP 3.43 '20	14/05/2020	103.00	2.45	A/A2/NR	N	N
Wharf Holdings Ltd/The	Pos	WHARF 4.3 '18	28/10/2018	104.00	1.82	NR/NR/A- (Issuer)	N	N
Wharf Holdings Ltd/The	Pos	WHARF 4.5 '21	20/07/2021	107.10	2.77	NR/NR/A- (Issuer)	N	N
Wheelock & Co Ltd	Pos	WHEELK 4.5 '21	02/09/2021	106.75	2.89	NR/NR/NR	N	N
Wing Tai Properties Ltd	Pos	WINGTA 4.25 '22	29/11/2022	102.20	3.82	NR/NR/NR	OW	OW
Yanlord Land Group Ltd	N	YLLGSP 6.2 '17	08/05/2017	100.96	0.62	BB-/Ba3/NR	N	N
First Sponsor Group Ltd	N	FSGSP 4.0 '18	04/06/2018	96.00	7.56	NR/NR/NR	OW	OW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.25 '18	16/03/2018	101.50	2.77	NR/NR/NR	UW	UW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.65 '18	23/10/2018	100.68	4.26	NR/NR/NR	OW	OW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.90 '19	18/03/2019	102.45	3.64	NR/NR/NR	N	N
Perennial Real Estate Holdings Ltd	N	PREHSP 4.55 '20	29/04/2020	99.69	4.65	NR/NR/NR	OW	OW

Singapore property developers

CapitaLand Ltd	Pos	CAPLSP 3.78 '19	16/08/2019	103.90	2.13	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.35 '19	31/10/2019	105.55	2.18	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.3 '20	31/08/2020	106.40	2.38	NR/NR/NR	UW	UW
CapitaLand Ltd	Pos	CAPLSP 3.8 '24	28/08/2024	103.70	3.24	NR/NR/NR	OW	OW
City Developments Ltd	Pos	CITSP 2.45 '18	14/03/2018	100.90	1.56	NR/NR/NR	UW	N
City Developments Ltd	Pos	CITSP 3.38 '19	20/03/2019	102.90	1.92	NR/NR/NR	UW	N
City Developments Ltd	Pos	CITSP 3.00 '20	02/04/2020	101.90	2.36	NR/NR/NR	N	OW
City Developments Ltd	Pos	CITSP 3.75 '22	06/07/2022	105.20	2.70	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.48 '23	03/04/2023	102.85	2.96	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.78 '24	21/10/2024	103.6	3.24	NR/NR/NR	OW	OW
Chip Eng Seng Corporation Ltd	N	CHIPEN 4.75 '21	14/06/2021	100.50	4.62	NR/NR/NR	OW	N
GuocoLand Ltd	Neg	GUOLSP 3.6 '17	07/08/2017	100.65	2.04	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 3.4 '18	04/09/2018	100.95	2.77	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 3.95 '19	01/04/2019	101.95	2.97	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 4.1 '20	13/05/2020	102.20	3.36	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 4 '22	31/01/2022	100.68	3.85	NR/NR/NR	OW	-
Hong Fok Corp Ltd	Neg	HFCSP 4.75 '18	24/01/2018	101.30	3.27	NR/NR/NR	N	OW
Hong Fok Corp Ltd	Neg	HFCSP 4.75 '19	22/03/2019	101.30	4.08	NR/NR/NR	OW	OW
OUE Ltd	N	OUESP 4.25 '19c16	30/10/2019	102.50	1.65	NR/NR/NR	UW	UW
OUE Ltd	N	OUESP 3.8 '20	15/04/2020	102.05	3.10	NR/NR/NR	N	N
Oxley Holdings Ltd	N	OHLSP 5 '19	05/11/2019	98.73	5.52	NR/NR/NR	OW	-
Oxley Holdings Ltd	N	OHLSP 5.15 '20	18/05/2020	100.46	4.99	NR/NR/NR	N	-
Wing Tai Holdings Ltd	N	WINGTA 4.0 '21	07/10/2021	103.20	3.24	NR/NR/NR	N	N
Wing Tai Holdings Ltd	N	WINGTA 4.5 '22	26/09/2022	104.70	3.56	NR/NR/NR	OW	N
Wing Tai Holdings Ltd	N	WINGTA 4.25 '23	15/03/2023	103.10	3.67	NR/NR/NR	OW	N
Wing Tai Holdings Ltd	N	WINGTA 4.7 '24	28/02/2024	105.10	3.86	NR/NR/NR	OW	N
Aspial Corp. Ltd	Neg	ASPSP 5.50 '18	27/11/2018	95.00	8.67	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.05 '19	12/06/2019	92.00	9.03	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.30 '20	01/04/2020	97.12	6.34	NR/NR/NR	UW	UW
Aspial Corp. Ltd	Neg	ASPSP 5.25 '20	28/08/2020	98.40	5.76	NR/NR/NR	UW	UW

Indicative prices from Bloomberg as of 2 March 2017

Issuer	Issuer Profile	Issue				Bond Ratings	Recommendation	
			Maturity	Ask Price	Ask YTW		Current	Previous

REITS

AIMS AMP REIT	N	AAREIT 3.8 '19	21/05/2019	101.34	3.16	BBB-/NR/NR (Issuer)	N	N
AIMS AMP REIT	N	AAREIT 4.35 '19	05/12/2019	101.90	3.62	BBB-/NR/NR (Issuer)	N	N
Ascott Residence Trust	N	ARTSP 4.3 '18	30/11/2018	103.98	1.95	NR/Baa3/NR	UW	UW
Ascott Residence Trust	N	ARTSP 4.205 '22	23/11/2022	104.90	3.26	NR/Baa3/NR	UW	UW
Cambridge Industrial Trust	N	CREISP 3.5 '18	05/11/2018	101.20	2.76	NR/Baa3/NR	N	OW
Cambridge Industrial Trust	N	CREISP 4.1 '20	29/04/2020	102.65	3.21	NR/Baa3/NR	UW	N
Cambridge Industrial Trust	N	CREISP 3.95 '20	21/05/2020	102.05	3.27	NR/Baa3/NR	UW	N
Cambridge Industrial Trust	N	CREISP 3.95 '23	09/05/2023	100.68	3.82	NR/Baa3/NR	UW	N
CapitaLand Commercial Trust	N	CCTSP 2.96 '21	13/08/2021	102.10	2.46	NR/A3/NR	UW	N
CapitaLand Commercial Trust	N	CCTSP 2.77 '22	04/07/2022	100.60	2.65	A-/NR/NR	N	OW
CapitaLand Mall Trust	N	CAPITA 3.55 '17	01/09/2017	101.25	0.97	NR/A2/NR	UW	UW
CapitaLand Mall Trust	N	CAPITA 3.15 '20	18/12/2020	103.00	2.32	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.75 '24	02/08/2024	104.50	3.07	NR/A2/NR	N	UW
CapitaLand Mall Trust	N	CAPITA 3.48 '24	06/08/2024	102.50	3.10	NR/A2/NR	N	UW
CapitaLand Mall Trust	N	CAPITA 3.5 '26	25/02/2026	101.75	3.27	NR/A2/NR	N	UW
CapitaLand Mall Trust	N	CAPITA 3.35 '31	07/07/2031	100.00	3.35	NR/A2/NR	UW	UW
Croesus Retail Trust	N	CROESP 5 '20	13/04/2020	101.00	4.65	NR/NR/NR	OW	OW
First REIT	N	FIRTSP 4.125 '18	22/05/2018	101.70	2.70	NR/NR/NR	UW	UW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.48 '17	28/11/2017	101.30	2.68	NR/NR/NR	N	OW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.5 '18	23/11/2018	101.50	3.59	NR/NR/NR	OW	OW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.1 '20	22/06/2020	99.50	4.26	NR/NR/NR	OW	OW
Mapletree Commercial Trust	N	MCTSP 2.65 '19	07/11/2019	100.70	2.38	NR/Baa1/NR	OW	N
Mapletree Commercial Trust	N	MCTSP 3.6 '20	24/08/2020	104.00	2.39	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.2 '21	12/04/2021	101.75	2.75	NR/Baa1/NR	N	N
Mapletree Commercial Trust	N	MCTSP 3.25 '23	03/02/2023	101.25	3.02	NR/Baa1/NR	N	UW
Mapletree Greater China Commercial Trust	N	MAGIC 3.2 '21	08/09/2021	100.00	3.20	NR/Baa1/NR	OW	N
Mapletree Greater China Commercial Trust	N	MAGIC 3.43 '22	09/03/2022	100.25	3.38	NR/Baa1/NR	OW	N
Mapletree Industrial Trust	N	MINTSP 3.75 '19	08/03/2019	103.55	1.93	NR/NR/BBB+	UW	UW
Mapletree Industrial Trust	N	MINTSP 3.65 '22	07/09/2022	103.65	2.93	NR/NR/BBB+	N	N
Mapletree Industrial Trust	N	MINTSP 3.02 '23	11/05/2023	100.50	2.93	NR/NR/BBB+	UW	-
Mapletree Industrial Trust	N	MINTSP 3.79 '26	02/03/2026	103.13	3.38	NR/NR/BBB+	UW	UW
Sabana Industrial REIT	Neg	SSREIT 4.00 '18	19/03/2018	99.05	5.01	NR/NR/NR	UW	UW
Sabana Industrial REIT	Neg	SSREIT 4.25 '19	03/04/2019	94.03	7.40	NR/NR/NR	UW	UW
Soilbuild Business Space REIT	N	SBREIT 3.45 '18	21/05/2018	99.60	3.83	NR/Baa3/NR (Issuer)	OW	N
Soilbuild Business Space REIT	N	SBREIT 3.6 '21	08/04/2021	96.25	4.62	NR/Baa3/NR	OW	OW
Starhill Global REIT	N	SGREIT 3.5 '21	26/02/2021	103.25	2.63	BBB+/NR/NR	N	N
Starhill Global REIT	N	SGREIT 3.4 '23	26/05/2023	101.75	3.09	BBB+/NR/NR	N	N
Suntec REIT	N	SUNSP 2.83 '18	12/11/2018	101.30	2.04	NR/Baa2/NR	UW	UW
Suntec REIT	N	SUNSP 3.35 '20	10/02/2020	101.85	2.69	NR/Baa2/NR	N	N
VIVA Industrial Trust	N	VITSP 4.15 '18	19/09/2018	100.20	4.05	BB+/Ba2/NR	N	OW

Offshore & Marine and Logistics

ASL Marine Holdings Ltd	Neg	ASLSP 4.75 '20	28/03/2020	75.00	16.67	NR/NR/NR	N	N
ASL Marine Holdings Ltd	Neg	ASLSP 5.35 '21	01/10/2021	50.00	28.28	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 5.75 '17	26/04/2017	100.00	5.63	NR/NR/NR	N	OW
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 5.9 '19c17	08/11/2019	89.00	10.73	NR/NR/NR	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.65 '20c15	09/09/2020	78.00	12.59	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.4 '21c16	22/06/2021	71.00	13.51	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.7 '19	22/05/2019	70.00	22.70	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.875 '21	11/06/2021	55.00	23.26	NR/NR/NR	N	N
Ezion Holdings Ltd (CF by DBS)	Neg	EZISP 3.65 '20	05/08/2020	100.00	3.65	NR/NR/NR	N	N
Ezra Holdings Ltd	Neg	EZRASP 4.875 '18	24/04/2018	20.25	341.49	NR/NR/NR	N	N
Keppel Corp Ltd	N	KEPSP 3.1 '20	12/10/2020	101.35	2.70	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.145 '22	14/02/2022	101.00	2.93	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.725 '23	30/11/2023	102.50	3.31	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.8 '27c22	23/04/2027	102.00	3.37	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 4 '42	07/09/2042	97.85	4.14	NR/NR/NR	UW	UW
Nam Cheong Ltd	Neg	NCLSP 5 '17	28/08/2017	85.00	42.85	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 6.5 '18	23/07/2018	72.00	36.24	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 5.05 '19	26/08/2019	55.00	33.10	NR/NR/NR	N	N
Pacific Radiance Ltd	Neg	PACRA 4.3 '18	29/08/2018	40.00	97.13	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.7325 '20	09/04/2020	101.50	3.22	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.64 '24	27/05/2024	99.95	3.65	NR/NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 3.593 '26	26/11/2026	96.00	4.10	NR/NR/NR	N	N
Singapore Post Ltd	N	SPOST 3.5 '20	30/03/2020	104.20	2.08	BBB+ /NR/NR	UW	UW

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Others

BreadTalk Group Ltd	N	BREAD 4.6 '19	01/04/2019	103.00	3.09	NR/NR/NR	OW	OW
Golden Agri-Resources Ltd	Neg	GRSP 4.2 '17	30/04/2017	100.08	3.60	NR/NR/NR	N	N
Golden Agri-Resources Ltd	Neg	GRSP 5.5 '18	27/04/2018	101.25	4.41	NR/NR/NR	UW	N
CITIC Envirotech Ltd	N	CELSP 4.7 '18	29/04/2018	100.50	4.29	NR/NR/NR	N	N
Gallant Venture Ltd	Neg	GALVSP 5.90 '17	12/05/2017	100.52	2.95	NR/NR/NR	UW	UW
Gallant Venture Ltd	Neg	GALVSP 7 '17	02/08/2017	95.15	19.80	NR/NR/NR	UW	UW
Gallant Venture Ltd	Neg	GALVSP 7 '18	06/04/2018	95.00	12.41	NR/NR/NR	UW	UW
G8 Education Ltd	N	GEMAU 5.5 '19	18/05/2019	100.50	5.25	NR/NR/NR	OW	OW
CWT Ltd	N	CWTSP 3.9 '19	18/04/2019	100.50	3.65	NR/NR/NR	N	N
CWT Ltd	N	CWTSP 4.8 '20	18/03/2020	101.15	4.39	NR/NR/NR	N	N
Century Sunshine Group	N	CENSUN 7.2 '18	04/06/2018	101.50	6.01	NR/NR/NR	OW	OW
Olam International Ltd	N	OLAMSP 6.00 '18	10/08/2018	105.50	2.08	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 5.80 '19	17/07/2019	105.00	3.57	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 4.25 '19	22/07/2019	101.00	3.80	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 6.00 '22	25/10/2022	103.00	5.37	NR/NR/NR	N	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	N	ANZ 4 '25	12/02/2025	103.77	3.50	AA-/Aa2/NR	N	N
Bank of China Ltd/Singapore*	N	BCHINA 2.75 '19	30/06/2019	101.52	2.13	NR/A1/A	N	N
Bank of Communications Co Ltd/Hong Kong*	N	BOCOM 2.1 '17	24/07/2017	100.32	1.42	NR/A2/NR	N	N
Bank of East Asia/Singapore*	N	BNKEA 2.0 '17	10/07/2017	100.24	1.46	A/NR/NR	N	N
BPCE SA*	N	BPCEGP 2.305 '18	22/06/2018	100.79	1.88	A/A2/NR	N	N
CIMB Bank Bhd/Singapore*	N	CIMBMK 2.12 '18	30/06/2018	100.14	2.14	NR/A3/NR	N	N
DBS Group Holdings Ltd	N	DBSSP 2.78 '21	11/01/2021	101.63	2.39	NR/Aa2/AA-	N	N
Malayan Banking Bhd	N	MAYMK 1.85 '17	10/04/2017	100.04	2.30	NR/A3/A-	N	N
Malayan Banking Bhd	N	MAYMK 2.08 '18	26/06/2018	100.33	1.97	NR/A3/NR	N	N
Westpac Banking Corp	N	WSTP 4.11 '25	15/04/2025	105.24	3.41	NR/Aa2/NR	N	N

* Issuer profile ratings are equal to parent issuer profile ratings

Issuer	Issuer Profile	Issue				Bond Ratings	Recommendation	
			First Call	Ask Price	YTC		Current	Previous

Corporate perpetuals

Ascott Residence Trust	N	ARTSP 5 '49	27/10/2019	103.25	3.70	NR/Baa3/NR (Issuer)	UW	N
Ascott Residence Trust	N	ARTSP 4.68 '49	30/06/2020	102.20	3.97	NR/Baa3/NR (Issuer)	N	N
Ezion Holdings Ltd	Neg	EZISP 7 '49	19/11/2018	78.00	24.78	NR/NR/NR	N	N
First REIT	N	FIRTSP 5.68 '49	08/07/2021	99.60	5.79	NR/NR/NR	N	N
Frasers Hospitality Trust	Pos	FHREIT 4.45 '49	12/05/2021	102.15	3.89	NR/NR/NR	N	N
Genting Singapore Plc	Pos	GENSSP 5.125 '49	12/09/2017	100.90	3.36	NR/Baa2/BBB	N	OW
Keppel REIT	N	KREITS 4.98 '49	02/11/2020	105.00	3.51	NR/Baa3/NR (Issuer)	UW	N
Lippo Malls Indonesia Retail Trust	N	LMRTSP 7 '49	27/09/2021	102.85	6.28	NR/NR/NR	OW	OW
Mapletree Logistics Trust	Neg	MLTSP 5.375 '49	19/09/2017	101.88	1.86	NR/Baa3/NR	UW	UW
Mapletree Logistics Trust	Neg	MLTSP 4.18 '49	25/11/2021	102.34	3.65	NR/Baa1/NR (Issuer)	UW	UW
Sembcorp Industries Ltd	N	SCISP 5 '49	21/08/2018	102.45	3.31	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 4.75 '49	20/05/2020	102.40	3.95	NR/NR/NR	UW	UW
Singapore Post Ltd	N	SPOST 4.25 '49	02/03/2022	106.00	2.94	BBB+ /NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 7.00 '49	01/09/2017	100.50	5.88	NR/NR/NR	N	N

Financial Institutions - Capital Instruments

Australia & New Zealand Banking Group Ltd	N	ANZ 3.75 '27	23/03/2022	102.40	3.28	BBB+/A3/A+	N	N
Bank of East Asia Ltd/The	N	BNKEA 4.25 '22	13/09/2017	101.20	2.14	A-/Baa3/NR	N	N
BPCE SA*	N	BPCEGP 4.45 '25	17/12/2020	101.50	4.16	BBB/Baa3/A-	N	N
BPCE SA*	N	BPCEGP 4.5 '26	03/06/2021	101.00	4.37	BBB/Baa3/A-	OW	N
DBS Bank Ltd	N	DBSSP 3.1 '23	14/02/2018	101.45	1.63	A+/A1/A+	N	N
DBS Bank Ltd	N	DBSSP 4.7 '49	22/11/2020	106.00	3.12	BBB/Baa1/BBB	N	N
DBS Group Holdings Ltd	N	DBSSP 3.8 '28	20/01/2023	105.00	2.92	NR/A3/A+	N	N
DBS Group Holdings Ltd	N	DBSSP 4.7 '49	03/06/2019	104.20	2.82	NR/Baa1/BBB	N	N
DBS Capital Funding II Corp	N	DBSSP 5.75 '49	15/06/2018	104.40	2.33	BBB/Baa1/BBB	N	N
Julius Baer Group Ltd	N	BAERVX 5.9 '49	18/11/2020	102.90	5.11	NR/Baa3/NR	OW	OW
Julius Baer Group Ltd	N	BAERVX 5.75 '49	20/04/2022	101.90	5.38	NR/Baa3/NR	OW	OW
Malayan Banking Bhd	N	MAYMK 6.0 '49	11/08/2018	104.50	2.90	BB+/Baa2/BB+	N	N
National Australia Bank Ltd	N	NAB 4.15 '28	19/05/2023	103.60	3.53	BBB+/A3/A+	N	N
Societe Generale SA	N	SOCGEN 4.3 '26	19/05/2021	101.65	3.91	BBB/Baa3/A-	N	N
United Overseas Bank Ltd	N	UOBSP 4.9 '49	23/07/2018	103.10	2.72	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '26	22/05/2020	102.75	2.65	BBB+/A3/A+	N	N
United Overseas Bank Ltd	N	UOBSP 3.15 '22	11/07/2017	100.60	1.61	A+/A1/A+	N	N
United Overseas Bank Ltd	N	UOBSP 4.75 '49	19/11/2019	104.80	2.95	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 4.0 '49	18/05/2021	102.57	3.37	NR/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '29	27/02/2024	100.30	3.46	NR/A3/A+	N	-
Westpac Banking Corp	N	WSTP 4.0 '27	12/08/2022	102.90	3.45	BBB+/A3/A+	N	N

* Issuer profile ratings are equal to parent issuer profile ratings

Upgrades
Downgrades
New

Indicative prices from Bloomberg as of 2 March 2017

Explanation of Issuer Profile Rating

Positive (“Pos”) – The issuer’s credit profile is either strong on an absolute basis, or expected to improve over the next six months.

Neutral (“N”) – The issuer’s credit profile is fair on an absolute basis, or expected to improve / deteriorate to a fair level over the next six months.

Negative (“Neg”) – The issuer’s credit profile is either poor on an absolute basis, or expected to deteriorate to a poor level over the next six months.

Explanation of Bond Recommendation

Overweight (“OW”) – The performance of the issuer’s specific bond is expected to outperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Neutral (“N”) – The performance of the issuer’s specific bond is expected to perform in line with the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Underweight (“UW”) – The performance of the issuer’s specific bond is expected to underperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Other

Suspension – We may suspend our issuer rating and bond level recommendation on specific issuers from time to time when OCBC is engaged in other business activities with the issuer. Examples of such activities include acting as a joint lead manager or book runner in a new issue or as an agent in a consent solicitation exercise. We will resume our coverage once these activities are completed.

Withdrawal (“WD”) – We may withdraw our issuer rating and bond level recommendation on specific issuers from time to time when corporate actions are announced but the outcome of these actions are highly uncertain. We will resume our coverage once there is sufficient clarity in our view on the impact of the proposed action.

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